

**ASSEMBLY BILL**

**No. 1535**

**Introduced by Assembly Member Bermudez**

February 21, 2003

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An act to add Section 1231.4 to the Government Code, relating to state employees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1535, as introduced, Bermudez. State employees: compensation.

The California Constitution requires the Legislature to pass a Budget Bill by June 15 of each year for the fiscal year commencing on July 1. Existing law provides that no state officer or employee shall be deemed to have a break in service or to have terminated his or her employment, for any purpose, nor to have incurred any change in his or her authority, status, or jurisdiction or in his or her salary or other conditions of employment, solely because of the failure to enact a Budget Act for a fiscal year prior to the beginning of that fiscal year. Under the California Constitution, money may be drawn from the Treasury only through a appropriation made by law and upon a Controller's duly drawn warrant.

This bill would continuously appropriate from the General Fund to the Controller an amount necessary for the payment of compensation and employee benefits to state employees, as defined, for work performed on or after July 1 of a fiscal year for which no budget has been enacted.

The bill would specify that compensation and contribution for employee benefits, for represented state employees, if there is a memorandum of understanding in effect that has been approved by the

Legislature, would be at a rate consistent with the memorandum of understanding and, for state employees excluded from collective bargaining, at the rate approved by the Department of Personnel Administration prior to the commencement of the fiscal year for which a Budget Act has not been enacted. The bill would provide that if there is no memorandum of understanding in effect for represented state employees and if the department has not approved a compensation package for state employees excluded from collective bargaining, the compensation and contribution for employee benefits for represented state employees and state employees excluded from collective bargaining would be at the rate in effect at the expiration of the last fiscal year for which a budget was enacted.

The bill would define state employees to mean a person holding a position in the state civil service, or an officer or employee of an executive or judicial department of the state.

This bill would declare that it is take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1231.4 is added to the Government  
2 Code, to read:

3 1231.4. (a) This section shall be operative in any fiscal year  
4 for which a Budget Act has not been enacted by July 1 and shall  
5 cease to be operative on the date of enactment of a Budget Act for  
6 that fiscal year.

7 (b) The amount necessary for the payment of compensation  
8 and employee benefits to state employees, as defined in  
9 subdivision (c), for work performed on or after July 1 of a fiscal  
10 year for which no budget has been enacted is hereby continuously  
11 appropriated from the General Fund to the Controller.

12 (c) If there is a memorandum of understanding in effect that has  
13 been approved by the Legislature, the compensation and  
14 contribution for employee benefits for represented state  
15 employees shall be at a rate consistent with the memorandum of  
16 understanding and compensation and contribution for employee  
17 benefits for state employees excluded from collective bargaining  
18 shall be at the rate approved by the Department of Personnel



1 Administration prior to the commencement of the fiscal year for  
2 which a Budget Act has not been enacted. If there is no  
3 memorandum of understanding in effect and if the department has  
4 not approved a compensation package for state employees  
5 excluded from collective bargaining, compensation and  
6 contribution for employee benefits for represented state  
7 employees and state employees excluded from collective  
8 bargaining shall be at the rate in effect at the expiration of the last  
9 fiscal year for which a budget was enacted.

10 (d) "State employees" for the purposes of this section means  
11 an employee defined in Section 18526 or an officer or employee  
12 of an executive or judicial department of the state.

13 SEC. 2. This act is an urgency statute necessary for the  
14 immediate preservation of the public peace, health, or safety  
15 within the meaning of Article IV of the Constitution and shall go  
16 into immediate effect. The facts constituting the necessity are:

17 In order to ensure that state employees and officers are  
18 compensated for work performed during a fiscal year for which a  
19 Budget Act has not been enacted, it is necessary that this act take  
20 effect immediately.

